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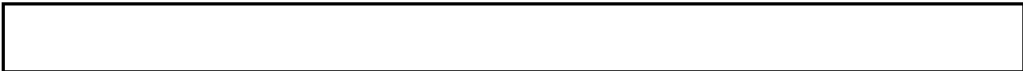
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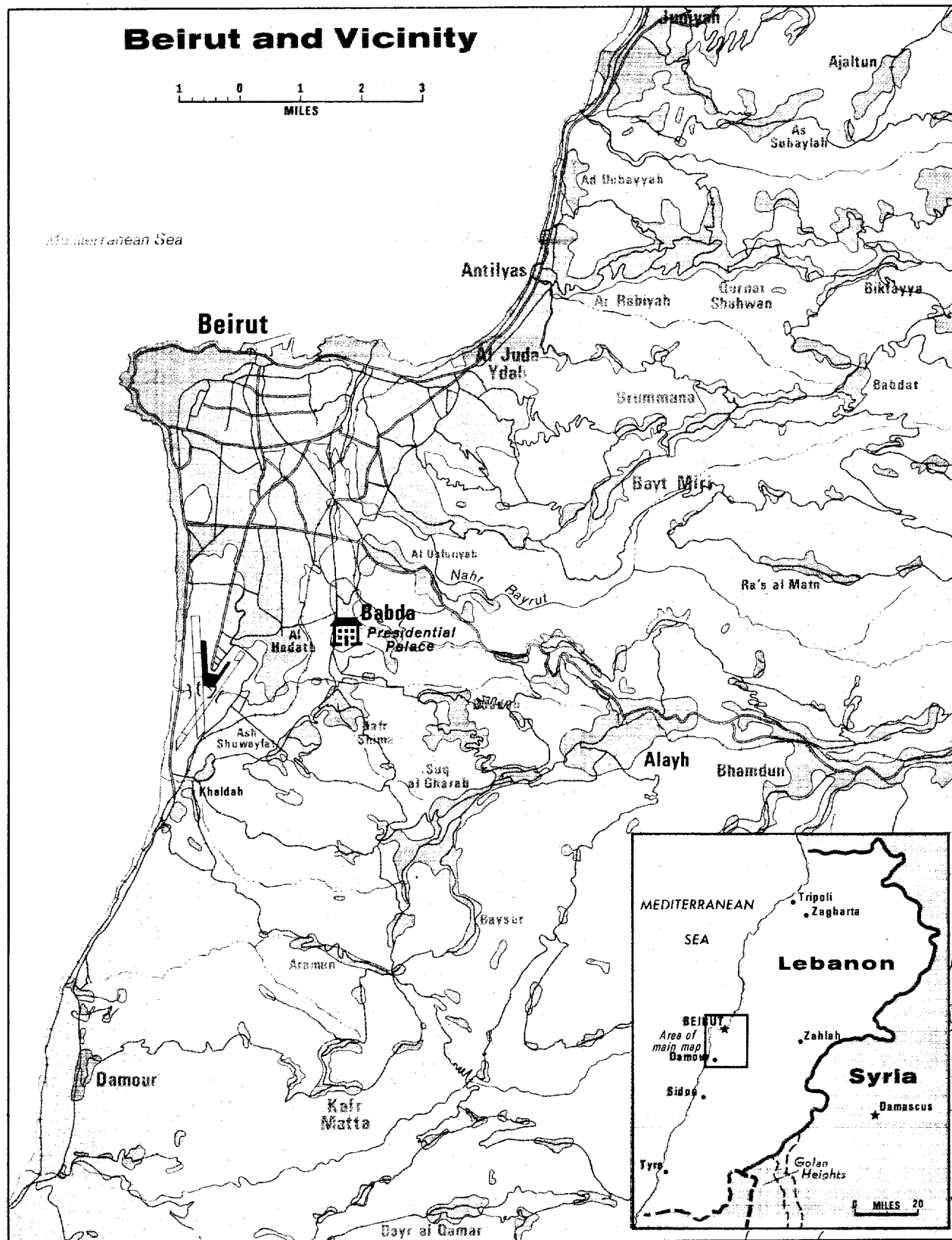
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LEBANON

Heavy fighting in Beirut yesterday prevented any progress toward implementing the Syrian-sponsored political compromise approved by the Lebanese cabinet on Monday. Syrian mediators reportedly persuaded the Christian Phalangists and leaders of some Muslim forces to agree to a cease-fire late yesterday, but leftist leader Kamal Jumblatt apparently has not accepted the agreement nor has he dropped his demand for President Franjiyah's immediate resignation.

The Syrians reportedly suspect that Jumblatt and his allies are trying to undermine peace efforts; Damascus may now decide it must send more Syrian troops into Lebanon.

The US defense attache in Damascus believes the Syrians may be making contingency preparations to intervene in Lebanon on a large scale. During a tour yesterday of the Al Qutayfah area north of Damascus, he observed that the antiaircraft artillery units were manned and on alert. He also noted that there were virtually no troops in as many as three of the military installations at Al Qutayfah, the home garrison of Syria's 3rd Armored Division. A large convoy of troops, apparently from the 3rd Division, was heading in the direction of Damascus.

The attache feels that an intervention force might involve any one of Syria's five regular divisions, or might consist of a task force of units taken from several divisions. Damascus might use "defense" companies that are organized and equipped along regular military lines, but the attache considers this less likely.

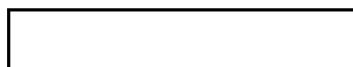
The absence of elements of the 3rd Armored Division from their home garrisons could indicate that they are preparing to move into Lebanon. According to a source of the US embassy, the "defense" companies have been put on full alert and some are outside their usual stations, although still in Syria.



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We have no indication of unusual Israeli military activity. Tel Aviv continues to monitor the situation in Lebanon closely, and we believe that any large-scale Syrian move into Lebanon could cause the Israelis to react.

Some 2,000-3,000 Syrian regulars are in Lebanon, integrated into units of the 5,000-man Palestine Liberation Army force and the 3,000-man Saiqa fedayeen group. Together these forces are restraining rebel Muslim army troops led by Lieutenant Khatib at Khaldah south of Beirut, and forces headed by Kamal Jumblatt in the Alayh area east of the capital.



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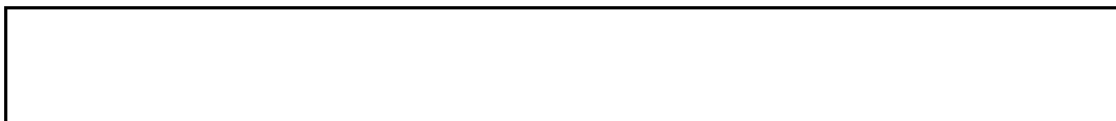
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There are unconfirmed reports that some Saiqa troops may have joined leftist militiamen in the battle for control over Beirut's hotel district. Although the major fedayeen groups have given logistical support to Muslim and leftist forces, we believe that they generally have stayed out of the fighting.

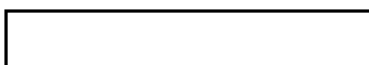
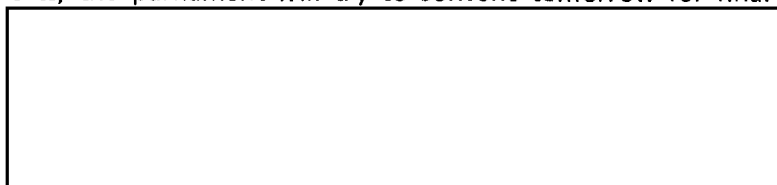
Leftist forces regained most of the hotel district yesterday, but fighting elsewhere in the capital appears to have subsided. The Christians reportedly have been badly shaken by their losses in the hotel area, and are worried that leftist and Muslim troops are preparing for a major drive today on the port area and the presidential palace at Babda. The palace came under artillery fire for a brief period yesterday.

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The proposed constitutional amendment providing for the election of a new president—the key proposal in the Syrian peace plan—was sent to the Lebanese parliament yesterday. Ambiguity in the bill over the timing of the transfer of power from President Franjiyah to a newly elected president has prompted calls from several deputies for a revision of the amendment. The large majority of parliament that signed a petition last week calling on Franjiyah to resign presumably would want assurances that he will not use the amendment to prolong his stay in office. According to press reports, the parliament will try to convene tomorrow for final deliberation of the bill.

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ARGENTINA

The armed forces early this morning put the finishing touches on a long expected coup against Maria Estela Peron, who was flown from the capital in the military's custody. A junta composed of the three service chiefs is to assume responsibility for governing, with army commander in chief General Jorge Rafael Videla as its probable head.

The military's final push, which got under way in earnest several days ago, met with virtually no resistance. Most Argentines had long since come to regard Peron's ouster as inevitable. The US embassy reported this morning that activity in the capital was normal, a possible sign that there was no great concern over the ouster.

The armed forces moved methodically, deploying troops along major roads and occupying provincial cities. Late last night troops were patrolling the streets of Buenos Aires and more soldiers were reported to be arriving soon.

The officers, poised to intervene for months, made their move with deliberate slowness. They underscored the fact that they only reluctantly were taking over, in the face of consistent civilian failures. The officers also apparently wished to give Peron every possible opportunity to step down voluntarily.

The armed forces, largely at the behest of Videla, have shown great restraint, tolerating numerous provocations on the part of the administration. Videla finally acceded to coup pressure, however, when it became increasingly difficult to bridle the military's growing restiveness.

The ousted government was in trouble almost from its inception, when Juan Peron died nearly two years ago leaving his wife as constitutional successor. Her administration proved hopelessly inept and aroused widespread opposition by its almost exclusive reliance on a small circle of rightwing Peronist loyalists.

The new government inherits a badly deteriorated economy, widespread terrorist violence, and political divisiveness. The magnitude of the country's problems could enforce the arguments of some officers that there is a need for stricter controls than Videla is likely to advocate.

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PORTUGAL

The all-military Revolutionary Council met yesterday to discuss postponing the legislative election scheduled for April 25.

A decision has not been announced. Before the meeting, most Council members were said to believe that a delay is justified, because of the constituent assembly's inability to complete the draft constitution on time and administrative difficulties, such as delays in printing ballots.

If the Council agrees to postpone the vote, the setting of another date could cause major difficulties. [REDACTED]

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Less politically minded officers, the so-called "operational," reportedly had organized close to half the Council against the President before the meeting began and appeared convinced that they could block a move to delay the election. They believe Costa Gomes has been influenced by the Communists, who want to delay the election either to give them more time to work on the Socialists to obtain a role in a post-election government or to try to cancel the election altogether.

The "operational" would probably accept a delay of about two weeks, but they do not want the election put off for long. An indefinite delay would bring protests from moderate political parties and would call into question the military's real intentions regarding their role in politics.

Former president Spinoza, who fled the country after being implicated in a coup attempt a year ago, is rumored to be returning to Portugal in an effort to clear his name and to be available for the presidential election. His return could turn into a major election issue, raising charges of an imminent turn to the right and providing additional ammunition to those who hope to postpone or even to cancel the elections. [REDACTED]

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RHODESIA

The four African presidents who have been backing the Rhodesian nationalists are meeting today to consider the consequences of the breakdown last Friday of settlement negotiations between Prime Minister Ian Smith and nationalist Joshua Nkomo.

Zambian President Kaunda is host; presidents Nyerere of Tanzania, Machel of Mozambique, and Khama of Botswana are in Lusaka for the meeting. Rival Rhodesian nationalists—from both the internal and the external wings of the African National Council—have reportedly been invited.

The four presidents once again seem to be trying to bring about a reconciliation between Nkomo, who gained control of the Council's organizational structure inside Rhodesia last September, and the exiled nationalists who have been preparing an all-out military effort to defeat Smith.

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The four presidents have avoided taking sides between the two factions; in fact Machel and Nyerere have had such trouble with several of the exiled Rhodesian politicians that they have tried to develop new leaders among the active guerrillas. Now that Nkomo's talks with Smith have ended, the four presidents may hope that a reunification of the Council's internal and external wings will help them build a unified liberation army.

We do not think, however, that Nkomo or many of his supporters inside Rhodesia would want to join the guerrillas in exile, or risk the reprisals that would face them if they return home after having shown solidarity with the guerrillas.

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USSR-US

Moscow is increasingly discomfited by the debate over US-Soviet relations in the US. The Soviets continue to profess faith in the health and prospects of "detente," but they are now warning the home audience that Washington's dissatisfaction with Soviet behavior is having an adverse effect on state-to-state relations.

The recent US decision to postpone several scheduled meetings related to joint cooperative endeavors was carried by *Pravda* on March 19, giving Washington's displeasure about events in Angola as the reason. By way of response, the Soviets have quoted Senator Mansfield's statement that "threats" will not advance US interests, and they have stuck with their oft-repeated position that "detente" does not inhibit Soviet support of "progressive" forces in the world.

The Soviets have somewhat altered their initial line on the administration's decision to avoid the term "detente." At first, Moscow assured the Soviet public that nothing important had changed, but more recent reporting has been sharper.

The Soviets have criticized the concept of "peace through strength," a term they have linked directly to President Ford. A lead editorial in last week's *New Times* asked whether such a phrase is not a throwback to cold-war policies, warning that to follow a policy of "position of strength" is to "chase the ghost" of "preponderant power."

Moscow's suspicions regarding the administration's intentions may have been compounded in recent weeks by a sharp rise in incidents directed against Soviet personnel and installations in the US. Soviet party secretary Dolgikh implied in a speech on March 20 that such attacks are the result of deliberate US policy, an opinion that may be shared by some of his colleagues.

Moscow is still quick to publicize "evidence" in support of its thesis that the great majority in the US continues to favor improved relations with the USSR. It still portrays "anti-Soviet" sentiment in the US as a temporary electoral phenomenon, one which is proving unpopular with the voters and therefore is destined to subside.

It is clear, however, that the Soviets are not sanguine and that they fully recognize that their own behavior in the international arena may have an effect on the short-term prospects for bilateral relations.

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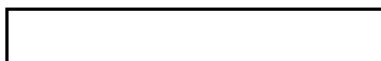
YUGOSLAVIA

President Tito returned to Belgrade on Monday after official visits to Mexico, Panama, and Venezuela, as well as rest stops at Hamilton, Bermuda, and a "friendly working" visit to southern Portugal.

In Tito's arrival speech at the Belgrade airport, he indicated that Yugoslavia has much in common with developing Latin American countries. Drawing on a familiar theme, Tito claimed the countries he had visited are resolutely resisting all forms of outside interference and are working to strengthen their national identities and independence. Not unexpectedly, Tito asserted that his host countries either favored nonalignment or at least were in agreement with its principles.

During his tour of Latin America, Tito reportedly was accompanied by eight doctors. In Mexico, the Yugoslav leader spent most of his time at the Yucatan resort city of Cancun in order to avoid the high altitudes of Mexico City. In Panama, plans were revamped because the pace was considered excessive, and in Venezuela a press conference and ceremony for signing the joint communique were postponed for one day because Tito was fatigued.

Consideration for Tito's health apparently prompted authorities in Belgrade to announce recently that protocol for future state visits will be modified to omit official dinners and receptions. Tito is scheduled to visit Sweden from March 29 to April 1, and the precautions evident during the Latin American tour will probably prevail.



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CHINA-LAOS

Peking and Vientiane have agreed to an economic and technical agreement providing for interest-free Chinese loans to Laos.

The agreement was reached during a recent visit to Peking by Lao Prime Minister and Party Secretary General Kaysone Phomvihane. This is the first visit to China by a foreign head of state since the death of Chou En-lai in early January and is the first high-level Lao delegation to visit China since July 1972. The Lao delegation is now touring southern China and is expected to return to Vientiane today.

Kaysone's trip to Peking followed stops in Hanoi and Moscow, which have already concluded aid agreements with the new government in Laos. Peking has played up the visit, and senior Chinese leaders, including Mao Tse-tung, met with the delegation.

In a banquet speech, acting Prime Minister Hua Kuo-feng emphasized the mutual fraternal friendship that traditionally has characterized relations between both countries. He also warned Kaysone of Moscow's intentions to "extend its grabbing claws everywhere...." Hua's warning was a continuation of the theme that Vientiane should be more self-reliant and more concerned with increasing Soviet influence in Laos. An edition of a local Lao newspaper on March 17 omitted all remarks by Hua that might offend Moscow.

Despite China's obvious concerns over the need to balance the Soviet role in Laos, Peking's influence in Vientiane clearly lags behind that of Moscow and Hanoi. The Lao have given more favorable publicity to Soviet assistance, and Chinese diplomats in Vientiane have reportedly found it difficult to gain access to senior Lao officials.

Chinese forces are continuing to work on extending the road network in northern Laos. Other Chinese aid to Laos in the past two years has included trucks, rice, fuel, medicines, and textiles.

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